

**Department of Health and Mental Hygiene
Health Occupation Boards
M00A01**

Response to Issues

Productivity of Boards Varies (page 5)

The number of positions for the boards does not correspond with the number of licenses processed. The Board of Physicians has the most positions but the lowest rate of licenses processed per position. On the other hand, the Board of Nursing has the second most positions and the highest rate of licenses processed per position.

The health occupations boards are distinct entities that share a common mission of protecting the public. While they perform similar functions in carrying out their mission, their uniqueness based on the profession licensed makes performance comparisons of staff to license ratios meaningless. There is no correlation between the number of licensees and number of positions required to staff a health occupations board. While such comparisons of staffing ratios may fit a strictly process operation, the health occupations boards have many diverse functions of which processing licenses is of but one. To further demonstrate that the staffing to license ratio is not a valid criteria in the comparing the productive between health occupations boards, the CMAT report stated "...Compliance and Discipline is a very complex process...(and) have various types of compliance issues across the boards which require different reviews and expertise to resolve." The boards that license the professions that require a more comprehensive review of complaints will expend more in resources (manpower) then boards that have less complex issues involved in the complaint review.

Personnel (page 9)

The Department should comment on the length of time the 4 contractual positions have been vacant and the need to convert for the currently vacant contractual positions.

Both of the proposed positions for the Board of Social Workers are shown as vacant. This is no longer true, as Anne Walker has filled the contractual position for the Social Worker II and Jack Frost is returning to the contractual position of Administrative Officer III with the selection of a new Executive Director. During the recruitment process for the vacant Program Manager II position, Jack was the acting executive for the Social Worker Board. Actually, he still has a contract with BSWE for the Administrative Officer III position, which does not end until May 2006.

The Board of Pharmacy did not fill the 2 positions dealing with the pharmacy technicians because the legislation to license technicians failed. The positions remain in the FY07 budget in anticipation of the legislation passing this General Assembly.

Issue #1 – Report on Centralizing Administrative Functions of the Boards

The department should further explain why consolidating sustaining process, such as human resources and financial management, would not achieve cost-savings or efficiencies for the Health Occupation Boards.

In response to a 2005 JCR the Department of Budget and Management contracted with CMAT International to provide an in-depth study of the costs associated with providing licensing and disciplinary services. In its review CMAT developed a cost model for the health occupation boards to determine the actual cost of providing services. The model identified three basic categories of activities or processes Direct, Shared, Sustaining.

Based on actual expenditures each category was assigned the costs associated with that particular activity. Based on an analysis of the cost data, CMAT concluded that "...Sustaining does not offer any meaningful dollar opportunities after you eliminate the 57% costs for charges the boards have no control over." We agree with CMAT's conclusions that there would be no significant cost savings in consolidating the sustaining process for the health occupation boards.

The department should explain why consolidating these services would not provide some degree of cost-savings. Even if consolidation did not produce cost-savings, efficiencies could result in improved customer service. The department should comment to the budget committees about the plan to consolidate the Health Occupation Boards, in order to potentially save money and improve customer service.

There is no plan to consolidate the health occupation boards and, as indicated above, there are no meaningful savings in consolidation of the sustaining process. Further, current State law provides the health occupation boards as separate entities independent of DHMH. The broader question for the Legislature to consider is whether there are other benefits that would warrant changing State law to give the Secretary of DHMH more authority over the management of the Boards.

Issue #2 - Board of Physicians Sunset Review

The department should explain how any changes in the Board of Physicians budget are the result of implementing recommendations of the sunset review. Also, the department should comment about the progress of implementing the recommendations that have potential budgetary effect.

The Board of Physicians made no budgetary changes because the Sunset Review was not completed until October 31, 2005, well after the Fiscal Year 2007 budget request was completed. The Board will implement changes after the Sunset Legislation is passed.

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Response to Recommended Actions

1. *Increase budgeted turnover to 6%.*

The Boards disagree with the recommended action and would offer the following information as support for the turnover requested in the FY07 budget allowance.

The Health Professional Boards (M00A0104) have a budgeted turnover rate of 2.5%. Historically, these have had a turnover rate of 6.8% over the past 4 years. However, the majority of the Boards individually have had no turnover. Therefore in order to meet the budgetary needs of the majority, the turnover rate has been set at the 2.5% rate.

The Board of Nursing has a budgeted turnover rate of 2% for FY07. Historically, this Board has averaged 1.1 vacancies for the past two years, which is a 2.3% turnover rate.

The Board of Physicians has a budgeted turnover rate of 4% in FY07. Historically, this Board has averaged 5.7 vacancies, which is a turnover rate of 9.3%.

2. *Reduce funding for contractual positions in the Board of Nursing to reflect the conversion of 8 contractual employees.*

The Board disagrees with this recommendation. The Board has reduced the contractual request for FY 07 by the pin conversions. However in FY 06 the Board added additional contractual positions that were not budgeted and funding for these positions are including in the FY 07 request. This includes two para-legals to process legal work for the Board, 4 office service clerks who deal with processing renewal licenses and answering the main telephone lines, 1 Administrative Specialist in charge of the Disaster Volunteer Nursing program, 1 computer operator who prints the license, renewal applications and trouble shoots problems and issues with licenses and applications, and 25% Nursing Program Admin/Consultant II who handle the preparation of the Board's newsletters and filling in for administrative staff as needed.

The nursing assistant program has two office services clerks that handle all incoming calls to the nursing assistant program and processing renewal applications by reviewing the applications, preparing the checks for deposit and attaching them to the applications for scanning into the imaging system.

3. *Add budget bill language restricting funding for the Board of Physicians to convert contractual positions to regular positions.*

Add the following language:

, provide that \$109,000 in special funds for contractual employment in the Board of Physicians may not be expended for that purpose and may only be used to fund health insurance and retirement benefits associated with converting contractual positions to regular positions.

The Board of Physicians agrees in principle with the recommendation. However, until the Governor includes additional regular positions in the Board's budget, such language is premature and would have the affect of slowing the Board's efforts to recruit additional contractual staff. (The Board is in the process of hiring an additional part time medical consultant.)